

HOUSE BILL No. 1259

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-34-8; IC 34-30-2-106.4.

Synopsis: Insurance producer liability. Limits the liability of an agent or insurance producer related to coverage arranged by the agent or insurance producer through an unregistered multiple employer welfare arrangement (MEWA).

Effective: July 1, 2000 (retroactive).

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January 15, 2004, read first time and referred to Committee on Insurance, Corporations and Small Business.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1259

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-34-8, AS AMENDED BY P.L.178-2003,
2 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2000 (RETROACTIVE)]: Sec. 8. (a) A reinsurer may not
4 issue a policy of insurance to a multiple employer welfare arrangement
5 that does not have a certificate of registration from the department.

6 (b) **Before July 1, 2003, an agent, or after June 30, 2003,** an
7 insurance producer licensed by the department may not solicit, offer,
8 or provide coverage through a multiple employer welfare arrangement
9 that does not have a certificate of registration from the department.

10 (c) A reinsurer, **an agent (before July 1, 2003), or an** insurance
11 producer **(after June 30, 2003)** who knows or reasonably should have
12 known that the arrangement does not have a current certificate of
13 registration is liable for any claims for benefits that are due and unpaid.
14 **However, an agent's or insurance producer's liability under this**
15 **subsection is:**

16 (1) **subject to a judicial determination that the agent or**
17 **insurance producer acted in a negligent manner; and**

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1 **(2) limited to claims for benefits that are due and unpaid**
2 **under coverage arranged by the agent or insurance producer.**

3 SECTION 2. IC 34-30-2-106.4 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2000 (RETROACTIVE)]: **Sec. 106.4.**
6 **IC 27-1-34-8(c) (Concerning the liability of an agent or insurance**
7 **producer that solicits, offers, or provides coverage through a**
8 **multiple employer welfare arrangement that does not have a**
9 **certificate of registration issued by the department of insurance).**

10 SECTION 3. [EFFECTIVE JULY 1, 2000 (RETROACTIVE)]
11 **IC 27-1-34-8, as amended by this act, applies to every case**
12 **commenced under IC 27-1-34-8 after June 30, 2000.**

13 SECTION 4. **An emergency is declared for this act.**

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